

PARKS AND CULTURAL AFFAIRS COMMITTEE

OF THE

SUFFOLK COUNTY LEGISLATURE

Minutes

A regular meeting of the Parks and Cultural Affairs Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on March 8, 2006.

MEMBERS PRESENT:

Leg. Lynne C. Nowick, Chairperson
Leg. Vivian Vilorio•Fisher, Vice•Chairperson
Leg. Kate M. Browning
Leg. Jon Cooper (Not Present)
Leg. Cameron Alden

ALSO IN ATTENDANCE:

George Nolan, Counsel to the Legislature
Ian Barry, Assistant Counsel
Richard K. Baker, Deputy Clerk
Commissioner Ronald Foley, Suffolk County Parks
Lance Reinheimer, Budget Review Office
Jill Moss, Budget Review Office
Ed Hogan, Aide to Leg. Nowick
Ginny Suhr, Aide to Leg. Vilorio•Fisher
Ronald F. Foley, Commissioner of Parks
Ben Zwirn, Assistant Deputy County Executive
Paul Perillie, Aide to Minority Caucus

Vito Minei, Director of Division of Environmental Quality
Warren Greene, Aide to Leg. Alden
Barbara LoMoriello, PO's Office
Steve Gittelman, Vanderbilt Museum
Lance Mallamo, Vanderbilt Museum

MINUTES TAKEN BY:

Diana Kraus, Court Stenographer

MINUTES TRANSCRIBED BY:

Kim Castiglione, Legislative Secretary

(THE MEETING COMMENCED AT 11:09 AM)

CHAIRPERSON NOWICK:

Good morning. Will everyone stand for the salute to the flag led by Legislator Vilorio•Fisher.

(SALUTATION)

CHAIRPERSON NOWICK:

Good morning everybody and welcome to the Parks and Recreation Committee. We have two cards. Steve Gittelman? Steve, we also have a card from Lance. Did you want to come up together?

MR. GITTELMAN:

Good evening, everybody.

CHAIRPERSON NOWICK:

Good morning.

MR. MALLAMO:

Good morning.

LEG. VILORIA•FISHER:

Oh, it has been a long day for you.

MR. GITTELMAN:

I was at an Ethics Committee meeting until the week hours of the morning, so I think I'm on continuous run here.

LEG. VILORIA•FISHER:

Is your mike on, Steve?

MR. GITTELMAN:

Okay, now it's on. My name is Steve Gittelman. I'm the President of the Board of the Suffolk County Vanderbilt Museum. And I was invited to come here to comment on the, I think, incredibly thorough report that was issued by Budget Review. And I want to say from the outset that we don't find any •• certainly I would not comment on the numbers as being wrong or their concern as being ill placed. I think that the museum has to give you its view on what they're saying in an overall. Not to •• we only received it yesterday, so I don't know if you have all had an opportunity to review it.

What the report essentially says is that at a point in recent history a figure was given out by investment counsel of \$12.2 million. That figure was •• whether they gave it kicking and screaming or voluntarily or happily or want to stick with it, is really not that relevant. That \$12.2 million was the number that investment counsel felt would sustain the \$1.2 million cash flow coming from the endowment. Now, without dipping further into realized capital gains, well, of course •• or without reducing •• it's almost a hard concept, without reducing the endowment to a point where it would not be able to self•sustain the \$1.2 million.

If, for example, there was a bad stock year and the museum didn't change anything and it was a down market, just by the nature of the stock market the endowment would drop below the \$12.2 million level and would theoretically be unable to sustain without reduction in the endowment the cash flow that the museum needs to survive. It wouldn't take anything that the museum did. And I don't think that Budget Review would disagree that if the stock market were to drop by ten percent and the endowment was to drop by \$1.2 million on its own, the museum would find itself in a very, you know, not the museum but the endowment would be reduced below the threshold that investment counsel had mentioned to you.

So the fundamental question comes to the surface. Does the museum live or die by the stock market? And is because the investment strategy that has been employed since it was changed, historically it was approximately 90% bonds, 10% cash, very little stock, to 50% stock, which we agreed with at the time it was done, and we agree with it today. In fact, we agree with the recommendation that that percentage be increased. But the fact that it's stocks, stocks go up and down. If the percentage drops below •• if the losses go below 12.2 million, should this Legislature turn off the museum's cash flow? If it gets below the number that investment counsel said would be self•sustaining, should you shut down the museum?

It's really a relatively simple concept. I mean, it's •• this is 19 pages of very well put together material. I think it's intended to inform the Legislature and it has appeared before us regularly with the same state of mind. I mean, this is not news. This is not an attack. This is, as far as we're concerned, this is a ritual. This is something that we visit every year. Philosophically, do you shut down the museum if the stock market fails? That is one question.

Second question is, is the museum doing everything within its power to number one, raise revenues, and two, decrease costs. And then the third thing is, is what is the long•range situation here? Is the museum planning to lean on this endowment to the point where the endowment is just a •• you know, a casualty of the museum's management?

Well, there is a long•range plan and it's been on the table in this Legislature

for a decade and it has made progress. We have said to you that we have a short-term plan and a long-range plan. Our short-term plan is that we are going to do our best to run this institution as well as we can from a quality standpoint and from an economic standpoint.

Second thing is, is that we are hoping that the waterfront opens. After all, the money was appropriated years ago, six years ago, to do that. We received a large gift to help to support it, but it hasn't moved forward to any great extent. We do not have a large room to have traveling exhibits. We do not have a large room in order to have special events. The seaplane hangar would be a wonderful location for that venue. It would be a very large generator of funds that should carry the museum forward with significantly less dependency on the endowment.

We ask that the Legislature and the County Executive support us in what I'm calling a bridge strategy that lasts until we can be weaned away from it by opening the waterfront. We can't live by the ups and downs of the stock market. We can't plan by whether or not the Dow goes up 100 or down 100 today. We can only plan on delivering programs, cutting our expenses and raising money. So I'm here to answer your questions.

CHAIRPERSON NOWICK:

Thank you, Steve. The waterfront program and the seaplane program, you feel that that would be the answer to having the museum run other than just depending on the endowment, correct? Is that what you're ••

MR. GITTELMAN:

I think it's •• I bet my life on it.

CHAIRPERSON NOWICK:

So what do you ••

MR. GITTELMAN:

15 years.

CHAIRPERSON NOWICK:

Okay. So you're talking about a bridge. A little bit of a •• what did you call it, a bridge kind of strategy.

MR. GITTELMAN:

Right.

CHAIRPERSON NOWICK:

How long do you see that bridge?

MR. GITTELMAN:

Well, ten years ago when I submitted the budget I looked upon it as a ten year plan. So, based upon my plan ten or 12 years ago, we're done. We got all the money appropriated six, five, four, three years ago. It's all on the books. It's just not being spent.

We don't control how quickly the waterfront gets built. That's the problem. If the waterfront were built, based upon when it was appropriated, we wouldn't be sitting here.

CHAIRPERSON NOWICK:

Just to put it on the record, who controls, what department controls whether or not the waterfront gets built.

MR. GITTELMAN:

Well ••

MR. MALLAMO:

Lance Mallamo. I'm the Executive Director of the museum. The project Steve's referring to, our capital projects, they are assigned to the Department of Public Works.

CHAIRPERSON NOWICK:

You are not speaking into the mike.

MR. MALLAMO:

I'm sorry. There we go. Lance Mallamo, Executive Director of the Suffolk County Vanderbilt Museum. We have a number of capital projects and these

are under the jurisdiction of the Suffolk County Department of Public Works.

CHAIRPERSON NOWICK:

So the waterfront project is under the jurisdiction of the Department of Public Works.

MR. MALLAMO:

Yes. It's the waterfront, it would be the seaplane hangar, rehabilitation.

CHAIRPERSON NOWICK:

Now that •• the money has been allocated for ten years?

MR. MALLAMO:

Six years. Six years for the seaplane hangar.

MR. GITTELMAN:

Six years.

CHAIRPERSON NOWICK:

Do you know •• maybe you don't know the answer to this, where •• where on the list this project is for Public Works or are they doing it in phases or can you •• do you have any idea where it is?

MR. MALLAMO:

Well, both projects are still in the planning phase.

CHAIRPERSON NOWICK:

Planning phase?

MR. MALLAMO:

Planning phase.

CHAIRPERSON NOWICK:

When were the planning steps authorized? Was that six years ago?

MR. MALLAMO:

Yes.

CHAIRPERSON NOWICK:

So they're still in the planning steps?

MR. MALLAMO:

Yes.

CHAIRPERSON NOWICK:

Legislator Alden, you're chomping at the bit there. Go ahead.

LEG. ALDEN:

Oh, no, no. Just along those same lines. Actually, I think the debt is actually authorized, it is just unissued. So, you know, it is part of that thing that people keep talking about, that 400 million overhang of authorized unissued debt. And then it's just a matter of, you know, over in DPW, which I used to be on Public Works years ago, them prioritizing as far as what projects they can get done, because they have a finite amount of •• remember yesterday I was talking about infinite wisdom? Well, they have a finite amount of resources to actually do work, so they have to prioritize, and that's why all the stuff that we have approved, the \$400 million worth of projects, hasn't been done.

MR. MALLAMO:

It's been frustrating to the museum. And I don't want to say DPW hasn't been attentive to the museum, they have. We have a number of projects and we now have a full•time architect and clerk of the Works assigned to our projects, but our projects are complicated. You're dealing with historic buildings. We have had a number of projects that have gone out to bid and we haven't had successful bidders because of the complexity of the project, so it has been frustrating to them as well.

LEG. ALDEN:

Also, the competition. Right now there is •• and it's getting into a waning point, but the huge amount of resources that have been demanded by number one, hurricane •• not attacks, but hurricane problems in Florida and down in Mississippi and New Orleans, things like that. Also, the United States is going through a big building phase. A lot of people are putting

extensions on their house. That soaks up a lot of the building material, but also the better contractors are going to go to those jobs where they get paid right away. Our jobs they wait, you know, sometimes a long time for their vouchers to get filled in.

But can I ask you a couple of questions, though the Chair. You feel uncomfortable with our policy that limits the amount of money that the museum can use out of the endowment.

MR. GITTELMAN:

It's not a question of uncomfortable with how much we can ••

LEG. ALDEN:

Here's why I'm saying it.

MR. GITTELMAN:

Go ahead.

LEG. ALDEN:

Every year we modify the policy. So is that what you feel uncomfortable with, that we have to do it on a yearly basis?

MR. GITTELMAN:

No. This •• this •• and I have to apologize because I haven't had time to study it carefully. But what it seems to say is that at a certain trigger point you don't want us to dig deeper or it's •• the caution is being raised. Is that ••

MR. REINHEIMER:

If I can respond.

MR. GITTELMAN:

By all means. I'm sorry.

MR. REINHEIMER:

So far I agree with everything that is said. And I think it's more of a perspective than it is the report. And the perspective of the museum is

they're running an operation, they are concerned about their cash flow, they want to make sure that they can continue to provide programs to the public and to the schoolchildren, and we understand that.

Our perspective is that we're looking down the road. We haven't seen the museum wean themselves off the endowment fund. As a matter of fact, the endowment fund is for the museum maintenance and operations, and that's what it was established for in the first place. And so this is a •• it's the proper use of that fund.

Our concern is that we're trying to do two things that are almost mutually exclusive. We are looking at providing funds for the museum on an annual basis to supplement their Operating Budget and the endowment fund right now provides about 50% of the total revenues for the museum and the museum has worked at increasing their revenues outside of the endowment fund.

We started this round numbers about ten years ago and they have only asked for a \$200,000 increase over that time. We started with a million dollar endowment distribution to the museum, guaranteed million dollar. And so over the ten years to increase it by 200,000 is not unreasonable, but we're looking down the road. We want to make sure that when the museum, through inflation, requires a greater distribution from the endowment fund, that the endowment fund can self•sustain and grow. And it's hard to grow a fund and provide operating expenses for the museum.

We use the one point •• the 12 million, 12.2 million as a benchmark. In the past Legislatures have asked the Budget Review to notify them if the fund goes below that. We're not advocating that they should be cut off and that distribution should stop at that point, but we feel an obligation to you, the Legislature, that has fiduciary responsibility for that fund, to be alerted that the endowment fund is over the long•term if it falls below 12.2 million, it would be difficult to sustain a \$1.2 million distribution and continue to grow at the same time.

A long•term growth through stocks, equities, generally is 8%. You are not going to get great growth, and I'm sure the Vanderbilt will agree, if you

invested in bonds. Bonds will provide you the income, but over the long •term you are not going to get capital appreciation that you need. This is why we're advocating possibly changing the investment objective to increase equities because it's important that this fund grows. It's also important that this fund provides the museum with the funds that they need to continue their operations. Maybe they are going to disagree but, you know, the Budget Review Office has had disagreements with the Vanderbilt over this in the past, but I think it's more perspective.

My view, and I have been associated with this for 15 years, is that the Budget Review is really supporting the museum and we don't want to see the museum in a position where funds are short and they have to cut back programs and they have cash flow problems.

So where am I going? It's important to continue the \$12.2 million benchmark and if it does fall below that, to alert the Legislature so that you, the policymakers, can decide should we continue to make distributions, do things have to be modified? Possibly. And maybe I shouldn't say this, should the County provide operating funds out of the general fund for the museum? These are policy options. And we feel a responsibility to you to alert you that if the fund goes below 12.2 million, that you are aware of what that means long and short•term.

LEG. ALDEN:

I look at this as a positive point in the dialogue because when I first got here eight years ago we had, I think the whole endowment was in bonds and that was working to your betterment because, you know, all the money that was generated from the bonds was able to be used.

When we went to that mix of stocks we were trying to grow the endowment or an attempt to grow the endowment, but it was a little harder for you to use, you know, because you had less money coming out of it. And that's why we adjusted •• the Legislature adjusted the, whatever you want to call it, the philosophy or the policy that would allow you to take capital gains and distribute those. And I know I was reluctant to go along with that, and then, you know, I saw it started to work and now I feel a little bit more comfortable with it.

I see this just as •• this is a positive step along the way. I wouldn't take it as, you know, it's written in stone that there is going to be a cutoff on the 12.2 million. I think it's all of our mutual concern that we want to see the museum operate in a great manner, because it is a fantastic •• I think it's a jewel of Suffolk County, but we also want to have, and I think we have established over the year, that we want to have a goal of having it self •sufficient and have that endowment grow.

This is just, as far as I'm concerned, you know, like I would take this report as, you know, I guess it's a snapshot. Here we are right now. We should be looking at certain things, and I'm glad you came in today and pointed out that if we move a little bit faster and get some of the projects that we've already approved, get them either finished or get them going, that we might be moving a little bit faster towards our goal of self•sufficiency. That would bring more money in, you'll put less pressure on the endowment, and the endowment can possibly grow.

Seven point one percent last year was a good return. You know, the stock market did less than that, I think around two or three percent and, you know, there was some things, bonds actually went negative last year on a real time, you know, growth or return basis. So I think the 7.1 was good. Hopefully in the future it will be better, but I don't take this as anything etched in stone. We have been, I think, very, very receptive and even, you know, like guys that like myself that are a little hardheaded about it, I think we have even, you know, been flexible to the policy to make sure that the money goes to the museum to actually, you know, run operations.

So I just look at it as, you know, their job is to bring up, you know, warning signs on the budgetary end of it so that we can all accomplish our goal in hopefully the nearer future rather than the far out future. So, you know, I kind of see where your concern is, but I think that we're flexible enough and that we have been flexible enough over the past couple of years to realize that you can't etch it in stone, and even if it slips below the 12.2. You know, if we're going to go with that, those projects that will generate some cash, then I think we have to be ready to take that risk and go along with that for at least, you know, X amount of time to see if it works.

And then like Lance was saying, we might have to look at, you know, in the future when the prospects improve a little bit for the County maybe just part of the budget, go to augmenting some of the, you know, the salaries or other expenses over there. I mean, '07 doesn't look real good for us, but, you know, maybe someplace after that if sales tax starts growing again. But I wouldn't •• I wouldn't raise it as, you know, a concern that we would automatically shut down the museum or not even be, you know, open •minded to, you know, so what, it goes below the 12.2. You know, like the market crashed and it went down a little bit.

MR. MALLAMO:

I'd just like to make a couple of points, Legislator Alden, because you seem to really understand what this document says and the implications for the museum. I was with the President of the American Association of Museums this past weekend. He has been in that role for 26 years in Washington, D.C. monitoring museums nationwide, and he told me he has never seen a crisis for museums that we're seeing this year. Over 40% of the museums in the United States are operating in a deficit. And this year is the year of the museum. It's quite ironic that those things are happening.

LEG. ALDEN:

Is that Chinese?

MR. MALLAMO:

Pardon?

LEG. ALDEN:

China? That's the year of the museum?

MR. MALLAMO:

No. In this country.

LEG. ALDEN:

Oh. All right.

MR. MALLAMO:

So hopefully we'll start bringing attention to some of these issues. Many museums are suffering the same issues we are with their endowment. After 9/11 the market plummeted, we all know that, and for many of us it didn't come back. I know, you know, schools, Web Institute of Naval Architecture in Glen Cove, saw 50% of their endowment wiped out within a year.

We have taken steps at the museum to trim our expenses and to generate new revenues. If you look at our operating budget we put in a request that was over \$100,000 less than we had last year. Even that wasn't enough. We had planned on one layoff this year, we implemented four in January because we saw where our •• that we were concerned about the potential for our own revenue. We've contracted out our security operation and laid off all of our security guards. So those improvements are going to save us about \$200,000 this year.

The staff on their own initiative created a Winter Fund Fest in the President's break week which is traditionally our best week of the year. Probably the best week we have had since I have been at the museum for nine years is about \$30,000. In the week this year we brought in nearly \$50,000. Boosted on that success we are going to do a two week Spring Fund Fest around the spring break. So we are looking at every way to add more revenue streams to the museum and to cut our expenses.

Certain issues •• our biggest problem is the utility cost. Our utility costs have gone up 30% which is a huge amount. We have big buildings, they are all heated and air•conditioned. They are running literally seven days a week for 18 hours a day. We have things going on in morning and night. That is something we have no control over, and that bill goes up monthly. So we are doing everything we can.

I think Steve said the key is development of the waterfront gives us a whole new area of the museum that we have never had open before. We've got 2,000 feet of waterfront and no member of the public has ever set a foot on it because it's not accessible. We are finally getting to the point, we see the light on the horizon.

And I think it's important to note, too, that the \$12.2 million figure, I know

we have many new Legislators sitting in the room, that is not the principle amount. That's not this historic dollar value of our endowment. Our historic dollar value is 8.2 million. Even that 12.2 is four million dollars above what we're legally authorized to draw down on. To me that difference is that you would only access that during an emergency or for a rainy day. Well, folks, it's pouring.

MR. GITTELMAN:

The Board of Trustees has changed its approach towards its own meetings. We usually met 12 times a year for just general discussion. Now we've broken it up into what we're calling a six and six plan. Six times a year we're meeting as a board, six times a year we're meeting as a fund•raising body and we're just getting together to discuss how we raise money and how we can take every corner of that institution and make it •• we'll call it a profit center. It is hard to say that in an educational institution, but we're looking at it from a business standpoint.

The other thing is, is that from, you know, I just happened to be looking at Budget Review's chart and when I go over as President in 1991, starting in 1990, the endowment was at 12.2 million. And at the end of 2005 it was at 12.6. Now, we have been taking out the 1.2 million a year. And I'm •• I know that going from 12.2 to 12.6 does not reflect any protection for inflation. We're not asking for County funds. We appreciate the thought. But at this time we're not asking for County funds. We can live within our means as long as you define our means to be what we've been getting.

CHAIRPERSON NOWICK:

Thank you.

MR. MALLAMO:

I think it's important to note, too, if I can make one more comment. Our endowment provides about 44% of our revenue. The rest is earned revenue in the form of admissions, fees, donations, etcetera, which is an incredible amount for a museum. Most American museums, 25% of their operating support comes from government agencies. We have no government operating support, and that's in addition to their endowment income.

So I have to tell you, the AAM, the President and the staff that I met with on Sunday said they are looking at the Vanderbilt. They are fully aware of the Vanderbilt Museum because we were reaccredited last year and they know where we've come from. They know our past history and they said to me that museum is really a model for government museums in the United States, and that's why I was invited to the seminar.

So we're, you know, we have a very good reputation. They are very appreciative of the County support that we've had. They recognize that that's made it happen. And I think we just got to continue to work together to continue to see the museum grow and prosper.

MR. GITTELMAN:

We went from having struggles over directors in the 80's, which some, with all due respect, some Legislators may not remember, okay. We went from having struggles, we went from being •• suing to get reaccreditation to the point where now we are fully accredited and our Director is •• was asked to come to the meeting of the American Association of Museums and they gave him free entry and they wanted him there as counsel. So, it's a big change.

LEG. ALDEN:

Thank you.

CHAIRPERSON NOWICK:

Well, you should certainly be congratulated and, Lance, the list of things that the museum has done to save money and to increase revenue is also to be commended. I can't help but thinking as we sit here how important it is to get this waterfront project going and I don't know, and maybe, Cameron, since you seem •• you have been here for so long, do you know if there •• would you be able to recommend a way we can get the waterfront ••

LEG. ALDEN:

I haven't been here that long, just slightly longer than Legislator Vilorio •Fisher.

CHAIRPERSON NOWICK:

I didn't say you were older.

LEG. ALDEN:

There's a couple of ways •• and I'm not going to point out that there's Legislators that are older than me. I'll just let that one go because that's where you really get in trouble. But I think that as a body we can start talking a little bit more to DPW and, you know, they do give us report, you know, on the status of the different projects, and I think maybe if we put a little pressure on them to ••

CHAIRPERSON NOWICK:

Maybe we could do a request from the Parks Committee. Ed, if we could get that going.

MR. HOGAN:

I have a note for it already.

CHAIRPERSON NOWICK:

He's good. He's good.

LEG. ALDEN:

Yeah. Eddie will have Charlie come down to the next Park's meeting and tell us where we are.

CHAIRPERSON NOWICK:

If we could help out, because certainly that one comment, should we shut the museum, that's not even •• that's not even an alternative, so.

LEG. ALDEN:

Madam Chairman.

CHAIRPERSON NOWICK:

Yes.

LEG. ALDEN:

One nice thing about it, and don't take this the wrong way, it's nice to see

you, not in an agitated state, but where your attention is focused on the same thing that our attention is. And that's to try to make sure •• two things. The museum has to stay open and keep operating and actually expand the programs, but if we are all looking at ways to make sure that we don't just get too comfortable and just drawn down the endowment because that's the easy way to do it, that's not the place we want to be. And to see that you're uncomfortable, you know, that's kind of a good place because you are going to be looking at all kinds of ways, whether they be unique or path setting or whatever ways to keep the museum going in a good financial manner. So I think it's a good place to be.

CHAIRPERSON NOWICK:

Legislator Vilorio•Fisher, I believe you had a question.

LEG. VILORIA•FISHER:

Yes. Thank you, Madam Chair. As Lance and Steve both know, we worked with Lance from our Budget Review Office in my office to work out some of these compromises and ways of accessing the endowment money. And, Lance, I don't believe and I had an opportunity to read this in my office yesterday afternoon, and I didn't come away with the impression that this report indicated •• represented that the •• that this was the endowment amount.

I took away from it exactly what Lance has indicated, that this is a benchmark for us to understand that we need that level in the fund in order to provide the type of revenue that will sustain the operating budget for the museum. Lance, I guess, that's •• I'm paraphrasing what I got out of it, but that's basically what I read. I don't believe that there was a representation that you're dipping into the fund itself.

MR. MALLAMO:

No. No. And clearly, if I was alluding to that, that was not my intention.

LEG. VILORIA•FISHER:

Okay. But I thought it was very clear in this report.

MR. MALLAMO:

My intention was because that statement is included in the report. But I just wanted to be sure each Legislator had read all 19 pages so that that message was clear, so that there was no confusion that we could not legally go below that 12.2 figure.

LEG. VILORIA • FISHER:

Right. And, of course, we all would be more comfortable if we stayed above that benchmark.

MR. MALLAMO:

So would the museum.

LEG. VILORIA • FISHER:

So that we're producing the revenue. I'm happy to hear that the Winter Fund Fest was successful. I do have to tell you, though, that there is someone at my church who is a volunteer and he said I don't think it was marketed enough. And he said there were just not enough people who knew about it.

MR. MALLAMO:

Well, unfortunately we have •• we did not do any paid advertising because we're trying to keep our paid advertising. We had an excellent piece on WLIW television that ran every day at least four times where we had a 12 minute promo with •• I couldn't have bought advertising like that and I'm sure that was because of the response. I'll tell you, in my nine years there I've seen the planetarium sold out twice, and we were sold out for three days.

LEG. VILORIA • FISHER:

Good. So I can take that message back to the volunteer.

MR. MALLAMO:

We did have an excellent response. Could it have been better? Certainly it could have been better.

LEG. VILORIA • FISHER:

But that's a segue into the waterfront property. By the way, I think that

some of delays, didn't they occur because we needed DEC permits because it was on the waterfront? Weren't there DEC permits involved?

MR. MALLAMO:

That was involving the seaplane hangar project. Actually, the waterfront project we had built all of that in to the permit process with the seawall.

LEG. VILORIA • FISHER:

Okay, because I do remember ••

MR. MALLAMO:

Seawall, not the seaplane hangar. It was the seawall.

LEG. VILORIA • FISHER:

The seawall.

MR. MALLAMO:

Right.

MR. GITTELMAN:

But the seawall is complete.

MR. MALLAMO:

That is complete and it's absolutely gorgeous.

MR. GITTELMAN:

It's gorgeous. If you haven't seen it, I pray that you will come down and see it.

LEG. VILORIA • FISHER:

Okay.

MR. MALLAMO:

We'll be inviting each Legislator to come down now that the weather is getting warmer and take the tour of the museum and really see firsthand the improvements of what has been achieved and what remains to be done.

LEG. VILORIA • FISHER:

But that's my segue into the operating of the hangar and the waterfront, etcetera. All of that is going to require operating costs. And •• but you anticipate that the revenues will be that much greater that they would be able to meet at this •• at a high enough level so that it's not impacting on the need for the 1.2 million? We all know that admissions in any museums do not reach the level where subsidy is not required. So if the museum is growing, then wouldn't the operating budget grow and ••

MR. MALLAMO:

The Operating Budget will grow, Legislator Fisher, but the potential here •• this is the physical equivalent of adding another planetarium which provides 50% of our revenue at the museum. Approximately 50% is the museum and 50% is the planetarium. This really has that kind of potential to add this new facility both for educational programming, which is really our bread and butter. We are Long Island's largest educator of schoolchildren for museum field trips, and that gives us a whole new dimension. It also gives us a facility where we can handle several hundred people indoors during the winter months. We have no such facility there now.

LEG. VILORIA • FISHER:

And when you have an educational venue like that, you do know that there's a •• it's a more constant cash flow because you know that the groups are set up for the •• you do a calendar for the year ••

MR. MALLAMO:

Oh, absolutely.

LEG. VILORIA • FISHER:

So you have the anticipatory financial view.

MR. MALLAMO:

One of the things we've done this year •• because we are very attuned that many school districts are cutting back. Many don't •• can't take field trips. So we were able to secure a grant from Bank of America who donated money to the museum and we are providing free admission to title one school districts in the County. We invited them to apply for the funding and

we will let your kids come for nothing. Because those are the school districts that get hurt the worst and that's the youth at risk that we want to come to the museum. So, this has been a godsend this year.

LEG. VILORIA•FISHER:

And that's a Bank of America grant? You said that was a Bank of America grant that provided for that?

MR. MALLAMO:

Bank of American grant. We're also going to be featured in the Bank of America Museums on Us Program this May, so look for us. Talk about marketing, they'll be doing the marketing for that.

So, you know, we're looking at every avenue that we can to get us through this period until times get better. And they are going to get better, we know that. You look at the graph in this report, I mean, it can't get much worse •
• we hope.

LEG. VILORIA•FISHER:

And, you know, I agree with many of the things that Legislator Alden said. And you •• we all know that when I first •• when we first came on board, I came on in '99 and I think ••

LEG. ALDEN:

One year before.

LEG. VILORIA•FISHER:

One year before Cameron came on, Legislator Alden came on board, and there was a very different attitude at this horseshoe toward the Vanderbilt at that time. There has been a sea change because the Vanderbilt has proven itself to be the gem that it truly is. And I believe that you look at the report before us through the prism of a very supportive Legislature, and keeping that in mind, we all take this as an informational tool and use that to move ahead in a very positive way.

MR. GITTELMAN:

I am confident that when I tell the Trustees what you just said it will mean a

lot to all of them. And one thing that we do have is a board at full strength and it's a good board and we are all apparently pulling together and I think the board will make contribution to this picture greater than it has in the past, and that falls on my head.

One other thing I wanted to add. At no time did I want it to appear that I look upon Budget Review in any hostile fashion. Yes, when a report comes in I go oh God, what now. There's just no question about it. But I find them to be •• they are pushing for us. They want to see us succeed and they are working for you. And there is a slight conflict to an extent where they have to keep you informed and I might not want you to hear all the stuff they tell you.

CHAIRPERSON NOWICK:

Steve, let me just ask you a quick question in regards to Budget Review's report. It says here that there is no current contract with Fleet Investment Services, they merged with Bank of America. Is that something that will be remedied or ••

MR. GITTELMAN:

That is not the purview of the museum. That goes to the County Treasurer's Office as I know historically. I believe the last time the contract was reviewed the County Treasurer invited the museum to send two members of the board to offer an opinion. But I do believe that the decision is outside of our horseshoe and either in your horseshoe or in that office.

CHAIRPERSON NOWICK:

Budget Review, you made the recommendation. Where does that go next?

MR. REINHEIMER:

What the museum is referring to, several years ago, I think it was two or three years ago, 2002 I think was the process was finishing up, it was an RFP process. We went out and solicited proposals from various providers and they responded and Fleet was among those that responded and Fleet was the current investment advisor at that time, and went through a selection committee and they selected Fleet again, now has merged with Bank of America.

I think part of it is through changes of administration and whatnot. It just was never formalized into a contract. We went through this last year. Nobody seems to have any recollection that a contract was signed after that process. Nobody can find a contract. And as far as Fleet is concerned, they are managing the fund under the previous contract and they will manage the fund until we tell them they are not. So it's not a problem on their end.

It's more of a procedural situation that we feel in order to have everything perfect, we should have another contract with Bank of American because they're the successor to Fleet or Fleet morphed into them, and just so that we •• all parties know what their responsibilities are and all parties know what fees we are paying. And the fees have not changed. We check that every year. So, I mean, they are going under the old contract. They are managing the fund under resolutions that the Legislature has passed that set the investment objective. We look at that when we do the report.

So it's more procedural than substance. Nothing will change when we sign the contract, nothing has changed from the last contract, but, you know, to be •• have everything buttoned up we recommend that a contract should be done.

CHAIRPERSON NOWICK:

Legislative Counsel, where do you feel we should go on that?

MR. NOLAN:

Well, Lance, do you know who issued the RFP? Which department?

MR. REINHEIMER:

I'm pretty sure it was under Purchasing at that time.

MR. NOLAN:

All right. You think the County Attorney's Office should ••

MR. REINHEIMER:

Yeah. Generally I think it is the County Attorney's Office that enters into contracts, and so it would be I would assume through them. It just hasn't

been done.

MR. NOLAN:

Okay. I think we should probably touch base with the County Attorney's Office and ask them.

CHAIRPERSON NOWICK:

So will you do that?

MR. NOLAN:

I'll be glad to.

CHAIRPERSON NOWICK:

Okay. Thank you. Thank you very much for your presentation.

MR. MALLAMO:

Thank you for the opportunity to be here.

MR. GITTELMAN:

Thank you very much.

CHAIRPERSON NOWICK:

Thank you for the wonderful job you're doing. Okay. We have a short agenda. Does Commissioner Foley want to make any comments on any of the resolutions?

COMMISSIONER FOLEY:

Good morning.

CHAIRPERSON NOWICK:

Good morning, Commissioner.

COMMISSIONER FOLEY:

Not much has changed with most of these resolutions. Legislator Alden has a couple in there that he and I need to work out the details of. We have not yet done that. There is one about discounts of the fees for a certain category of people.

I have told you repeatedly we're doing an analysis and will make a recommendation on the entire fee structure. The analysis piece of it is done. We have looked at all of our fees, compared them to other similar providers, both public and private sector. Now we're working through what to recommend in the way of fees. That will have to go to the Trustees. We'll talk with the County Executive's Office about it and Budget and then we'll come to you once we complete all of that. I guess that's all I have in the way of comments on these things ••

CHAIRPERSON NOWICK:

Okay.

COMMISSIONER FOLEY:

•• unless you have questions.

CHAIRPERSON NOWICK:

No. That having been said, we will go to tabled resolutions.

TABLED RESOLUTIONS

CHAIRPERSON NOWICK:

1077 (Amending the 2006 Capital Budget and Program and appropriating funds in connection with the installation of cash control and security at Suffolk County Park facilities (CP 7186). It that one that had to be tabled, Legislator Alden?

LEG. ALDEN:

Motion to table.

CHAIRPERSON NOWICK:

Motion to table by Legislator Alden, second by myself. All in favor? Opposed? 1077 is tabled. **(Vote: 4/0/0/1 Not Present: Legislator Cooper)**

1078 (Amending the 2006 Capital Budget and Program and appropriating funds in connection with a cash control pilot program

at the Suffolk County West Sayville Golf Course (CP 7186).

LEG. ALDEN:

Motion to table.

CHAIRPERSON NOWICK:

Motion to table by Legislator Alden, second by myself. All in favor?

Opposed? 1078 is tabled. **(Vote: 4/0/0/1 Not Present: Legislator Cooper)**

INTRODUCTORY RESOLUTIONS

1155 (To establish an Ecology and Technology (Eco•Tech) Park in Suffolk County). Do I have a motion?

LEG. BROWNING:

Motion.

CHAIRPERSON NOWICK:

Motion by Legislator Browning.

LEG. VILORIA•FISHER:

Second.

CHAIRPERSON NOWICK:

Second by Legislator Viloria•Fisher.

LEG. ALDEN:

On the motion.

CHAIRPERSON NOWICK:

All in favor? On the motion, Legislator Alden.

LEG. ALDEN:

I don't have it in front of me. Is there a cost portion of this or is this ••

MR. NOLAN:

It does not. I think it is looking to get contributions from corporate sponsors and others to develop the exhibits at the Eco Park. So apparently no.

LEG. ALDEN:

George, would this be on our property or is it •• are we looking for, you know, like a for•profit corporation to come forward with some property to put it on?

MR. NOLAN:

No, it's designed to be on County property, and parks property in fact.

LEG. ALDEN:

And did we identify a site for it?

MR. NOLAN:

No. That's the purpose of the RFP.

LEG. ALDEN:

Okay. Thanks.

CHAIRPERSON NOWICK:

Okay. We have a motion. All in favor? Opposed? 1155 has been passed. Approved. **(Vote: 4/0/0/1 Not Present: Legislator Cooper)**

1156 (Linking County park fees for veterans for parks fees for senior citizens).

LEG. ALDEN:

I'm going to make a motion to table on the advise of the Commissioner.

CHAIRPERSON NOWICK:

Second by Legislator Browning. All in favor? Opposed? 1156 is tabled. **(Vote: 4/0/0/1 Not Present: Legislator Cooper).**

1192 (Appointing Matthew W. Swinson as a member of the Suffolk County Museum Commission (Trustee No. 6)). Mr. Swinson, are you

here? Would you like to come up?

MR. SWINSON:

Yes.

CHAIRPERSON NOWICK:

Good morning, Mr. Swinson.

MR. SWINSON:

Good morning.

CHAIRPERSON NOWICK:

Maybe you could just give us a little overview of your background and why it is that you want to be a Trustee.

MR. SWINSON:

Okay. My name is Matthew Swinson. I'm an assistant principal at Amityville Memorial High School. Previous to my administrative experience I was a middle school teacher in the Bay Shore Middle School for about •• for nine years. And before that a teacher assistant for a year and a half, and a teacher assistant at a school called the Lake Grove School.

One of the reasons why I would like to be a part of the Board of Trustees at the Vanderbilt Museum is for starters it's an opportunity to give back to the community. I believe my position as an educator could probably lend or possibly lend a helping hand to some of the experiences or ordeals that the museum is dealing with at this point.

And the other part is I think it would be an honor. It is a very prestigious position, and it would be an honor to be a part of the museum and a name such as the Vanderbilt and be a part of something that at one point was possibly in jeopardy of not existing here on Long Island, but maybe a year or two from now we can say •• we can reflect and say the museum was in a difficult situation a couple of years back and because of the people that we have on board we are going in a different direction and we have such and such people that are responsible for that. And I think it would be an incredible opportunity and an incredible experience to be a part of

something like that.

CHAIRPERSON NOWICK:

Thank you. I just need to ask Legislative Counsel, I know there are certain ground rules for becoming a member of the Vanderbilt. Can you ••

LEG. ALDEN:

I think his sports background qualifies him as far as I'm concerned.

CHAIRPERSON NOWICK:

Sports? Just maybe we can go over those criteria.

MR. NOLAN:

Under Chapter 184 of the County Code, it does include some criteria for selection of trustees at Vanderbilt. The relevant section says that no person shall be appointed unless such person shall demonstrate relevant previous personal commitment to public education or expertise in subject matter related in a collection strength of the County Vanderbilt Museum including, but not limited to, history and natural history of Suffolk County with particular emphasis in those areas directly affecting the collection of the museum and/or the historic and natural resources of Suffolk County Historic Trust and/or the Suffolk County Nature Preserve. And/or a widely recognized and acknowledged record of cultural affairs or related volunteerism.

CHAIRPERSON NOWICK:

And so the first one was the teaching, public ••

MR. NOLAN:

Commitment to public education probably is the relevant.

CHAIRPERSON NOWICK:

Certainly it seems to be there, doesn't it.

MR. SWINSON:

Yes.

CHAIRPERSON NOWICK:

Okay. I just wanted to set that clear for the record. Are there any questions?

MR. SWINSON:

No questions.

CHAIRPERSON NOWICK:

If not, we're going to go right to the •• I'm sorry, I didn't see you.

LEG. VILORIA•FISHER:

Well, thank you for volunteering to do this. As a retired educator I know the importance of having educators on this board and having served in a supervisory capacity as well as a school administrator, it will be important, I think, to bring back to your school district and neighboring school districts and to the •• I hope you are member of the Supervisors •• Association of Supervisors ••

MR. SWINSON:

ASCD?

LEG. VILORIA•FISHER:

Bring back to them the treasure that we have here in the Vanderbilt Museum. So I think it would be a very good symbiotic relationship between you and the board, your bringing your expertise and knowledge to the board and bringing back to the Association of School Superintendents and Supervisors the kind of resources that we have available for our children at the museum. So, now, I know how busy we all are when we are school •• you're an assistant principal?

MR. SWINSON:

That's correct.

LEG. VILORIA•FISHER:

And I know the kind of hours that I put in as an administrator. Would you be able to commit to the hours that we have available?

MR. SWINSON:

I believe that I can. I believe if I have enough time, people inform me of dates and times I can probably schedule some of my administrative responsibilities around those times if I'm given enough leeway and enough time.

LEG. VILORIA•FISHER:

And they are a great group. You will love working with them. They are really terrific. Thank you again for volunteering your time.

MR. SWINSON:

Thank you for having me.

LEG. VILORIA•FISHER:

I believe there's another question.

MR. SWINSON:

Okay.

CHAIRPERSON NOWICK:

Okay. Legislator Alden.

LEG. ALDEN:

That was one of the questions, if your time permits it, because it does take a little bit of time. But also, part of what we are trying to focus on is to, you know, and you heard some of the debate this morning, and that's fundraising and any type of events that you can bring to the table or ideas that, you know, we can go certain ways. Like, for instance, if you would be willing to sit there for a couple of hours and sell your autograph or something along those lines maybe.

MR. SWINSON:

You mean pretend that I was someone important and sign autographs so the museum can make some money off of it?

LEG. ALDEN:

That's one of the things.

MR. SWINSON:

Okay.

LEG. ALDEN:

And we want to have some confidence that the museum in the future will be going towards that goal and preserving the money that is in the endowment and things of that nature. So that would be part of the job that you're accepting if you go on to the Trustees Board.

MR. SWINSON:

Absolutely. And I look forward to that.

LEG. ALDEN:

Great.

CHAIRPERSON NOWICK:

It seems like Legislator Alden knows something that I don't know. What, did you play football, is that it?

MR. SWINSON:

Many years ago. Many years ago.

CHAIRPERSON NOWICK:

Oh, a free agent, tight end, New York •• I knew that.

MR. SWINSON:

Many years ago.

CHAIRPERSON NOWICK:

Okay. I'm sure you know Marty Lyons, right?

MR. SWINSON:

I've met him once. But not more than just at an initial introduction, that would be it.

CHAIRPERSON NOWICK:

Okay.

LEG. ALDEN:

Who's Marty Lyons?

CHAIRPERSON NOWICK:

He runs the foundation.

LEG. ALDEN:

I know.

CHAIRPERSON NOWICK:

Okay. So 1192. We're going to take this right now. Motion by Legislator Vilorio•Fisher.

LEG. BROWNING:

Second.

CHAIRPERSON NOWICK:

Second by Legislator Browning. All in favor? Opposed? 1192 has been approved. **(Vote: 4/0/0/1 Not Present: Legislator Cooper)**. And Mr. Swinson, congratulations. You've gotten through committee. We're going to be going to full Legislative meeting with this on Tuesday, but it's not necessary for you to come.

MR. SWINSON:

Okay.

CHAIRPERSON NOWICK:

Okay.

MR. SWINSON:

Thank you.

CHAIRPERSON NOWICK:

Okay. And thank you. Thank you for wanting to volunteer.

MR. SWINSON:

Absolutely.

CHAIRPERSON NOWICK:

You weren't expecting to get paid, right?

MR. SWINSON:

No.

CHAIRPERSON NOWICK:

1211 (Authorizing use of Makamah Preserve in Northport by Northport Road Runners Club). Do I have a motion?

LEG. BROWNING:

I'll make the motion.

CHAIRPERSON NOWICK:

Motion by Legislator Browning.

LEG. ALDEN:

Second.

CHAIRPERSON NOWICK:

Second by Legislator Alden. All in favor? Opposed? 1211 is approved.
(Vote: 4/0/0/1 Not Present: Legislator Cooper).

1224 (Authorizing use of Smith Point Park Property by Mastic Knights of Columbus for 5K Race). Motion by Legislator Browning.

LEG BROWNING:

I will make the motion.

CHAIRPERSON NOWICK:

Second by myself.

COMMISSIONER FOLEY:

Madam Chair, may I ask a question about this one?

CHAIRPERSON NOWICK:

Certainly.

COMMISSIONER FOLEY:

I'm not sure I have latest version. The third resolved says that the daily use fee would be waived. Is that?

MR. NOLAN:

Commissioner, it has been amended.

COMMISSIONER FOLEY:

Oh, it is.

MR. NOLAN:

Yes.

COMMISSIONER FOLEY:

All right. I wasn't clear what that meant.

CHAIRPERSON NOWICK:

Okay. So we have a motion by Legislator Browning, second by myself. All in favor? Opposed? 1224 has been approved. **(Vote: 4/0/0/1 Not Present: Legislator Cooper).**

Okay. Is there anything else?

LEG. ALDEN:

Before we conclude, I would just like to recognize two gentlemen that took time out of their schedules to come down here from the Parks Board of Trustees and thank them for coming down •• this is two meetings in a row for both of you, right? Thank you.

CHAIRPERSON NOWICK:

And thank you. And thank you for your interest and also thank you for your

service to the County. We do appreciate it. Motion to adjourn ••

LEG. BROWNING:

Motion.

CHAIRPERSON NOWICK:

By Legislator Browning, second by myself. This meeting is adjourned.

(THE MEETING CONCLUDED AT 12:02 PM)

_ _ DENOTES SPELLED PHONETICALLY